



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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April 25, 2012

Thomas Fil, Finance Director
City of Belmont
One Twin Pines Lane, Suite 375
Belmont, CA 94002

Dear Mr. Fil:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Belmont Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 17, 2012 for the period January through June 2012. Finance staff contacted you for clarification of items listed in the ROPS.

HSC section 34171 (d) lists enforceable obligation (EO) characteristics. Based on a sample of line items reviewed and application of the law, the following do not qualify as EOs:

- Item No. 3 – Affordable Housing Reimbursement Agreement in the amount of \$45,174. HSC section 34171(d)(2) states that agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency are not enforceable obligations.
- Item No. 4, 5, 6, 7, 8, 9 - Administrative costs allowance is exceeded by \$256,639. HSC section 34171 (b) limits the 2011-12 administrative cost allowance to five percent of the property tax allocated to the successor agency or \$250,000, whichever is greater. Five percent of the property tax allocated to Belmont Redevelopment Agency in 2011-12 equated to approximately \$23,146. Since there is a \$250,000 minimum funding for administrative expenses, we are questioning \$256,639 of the claimed \$506,639.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for reconsideration. This action will cause the specific ROPS item noted above to be ineffective until Finance approval.

If you believe we have reached this conclusion in error, please provide further evidence that the items questioned above meet the definition of an EO.

Please direct inquiries to Robert Scott, Supervisor or Kylie Le Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Mr. Bob Adler, Auditor/Controller, San Mateo County